



UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

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In re:

SHAPES/ARCH HOLDINGS L.L.C., et al.,

Debtors.

Case No. 08-14631(GMB)

Judge: Gloria M. Burns

Chapter: 11

**CONSENT ORDER RESOLVING DEBTORS' SECOND
OMNIBUS OBJECTION AND LIQUIDATION TRUST'S
FIRST OBJECTION TO CLAIMS OF SENTRY INSURANCE**

The relief set forth on the following pages, numbered two (2) through five (5), is hereby
ORDERED.

DATED: 3/30/2009



Honorable Gloria M. Burns
United States Bankruptcy Court Judge

Shapes/Arch Holdings L.L.C., et al.

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BACKGROUND

1. The Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on March 16, 2008 (the "Filing Date"). The cases are being jointly administered pursuant to this Court's Order dated March 18, 2008.

2. No trustee or examiner has been appointed in these cases and the Debtors continue in the management of their affairs as debtors-in possession pursuant to 11 U.S.C. §§ 1108 and 1109 of the Bankruptcy Code, and more recently, as reorganized debtors.

3. An Official Committee of Unsecured Creditors was appointed by the United States Trustee on March 31, 2008 and played an active role in these cases. The Committee dissolved on August 8, 2008, the effective date of the Debtors' Third Amended Joint Plan of Reorganization (the plan, including amendments, exhibits, and modifications, being the "Plan"). [Dkt. Nos. 338, 376, 399, 492, 545, 601].

4. The Plan was confirmed by Order of this Court dated July 24, 2008 [Dkt. No. 561], and became effective approximately two weeks later. On the effective date of the Plan, the Trust came into existence, and pursuant to Sections 4.5, 5.2 and 5.3 of the Plan and Article IV of the Plan Administration Agreement (an exhibit to the Plan) [Dkt. No. 376], the Trust, by its Trustee, Steven D. Sass (the "Trustee"), was empowered to, among other things, review and file objections to unsecured claims. The Plan Administration Agreement also created a three member Trust Advisory Committee to review the Trust's decisions.

5. The Plan established a deadline of ninety days after the effective date, or November 6, 2008, for the filing of objections to claims. It further provided that the Court could extend that deadline, upon the request of the Debtors or the Trust, and the deadline was extended until November 28, 2008 by Order dated October 30, 2008.

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6. On the Filing Date, the Debtors filed their Statements of Financial Affairs, Schedules of Assets and Liabilities and Schedule of Executory Contracts and Unexpired Leases (the "Bankruptcy Schedules"). Shortly thereafter, the Debtors were authorized to retain Epiq Bankruptcy Solutions, L.L.C. to serve as claims agent in these cases and maintain the official claims register and notice lists.

7. On March 18, 2008, this Court entered an Order pursuant to Bankruptcy Rules 2002(a)(7) and 3003(c)(3) establishing the deadline for the filing of proofs of claim evidencing pre-petition claims [Dkt. NO. 35] (the "Bar Date Order").

8. Pursuant to the Bar Date Order, the deadline for all persons and entities to file proofs of claim against the Debtors for claims that arose on or prior to the Filing Date was May 15, 2008.

SENTRY'S CLAIMS

9. Sentry Insurance a Mutual Company ("Sentry") filed both pre and post-petition claims in this matter. The basis of these claims is insurance policies issued by Sentry to Debtor regarding workers compensation, general liability and commercial auto coverage during the period May 1, 2006 through May 1, 2007, May 1, 2007 through May 1, 2008, and related sided agreements. Sentry has also provided insurance for the May 1, 2008 through May 1, 2009 time period. (all policies and side agreements "Policies")

10. It appears that both Sentry's pre- and post-petition claims may have been filed or docketed twice by Debtors' claims agent.

11. In addition, the Plan provided for the assumption of Sentry's insurance contracts for the May 1, 2007- May 1, 2008 time period.

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12. On October 7, 2008, the Debtors filed an objection to duplicate administrative claims, which objection included an objection to the claims that may have been filed or docketed twice by the Debtors' claims agent.

13. On November 11, 2008, the Trustee filed an objection to, inter alia, duplicate pre-petition claims, which objection included an objection to the claims that may have been filed or docketed twice by the Debtors' claims agent.

14. Based upon these facts, the parties wish to enter into this stipulation resolving any and all issues regarding Sentry's claims in this matter, and the parties' ongoing relationship.

CLAIMS RESOLUTION

15. Debtors will continue to provide payment in the ordinary course, and Sentry will continue to provide coverage pursuant to and as provided by the Policies. All rights of Sentry, and all rights of other parties, if any, with respect to existing collateral shall remain in full force and effect and are unaffected by this Stipulation.

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16. All claims filed by Sentry in these proceedings will be considered to be settled pursuant to Sentry's rights as described in paragraph 15 above.

MONTGOMERY, MCCracken, WALKER
& Rhoads, LLP

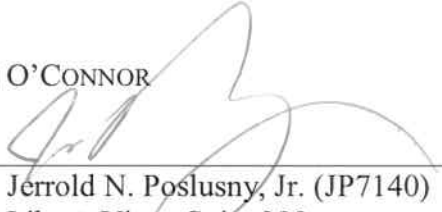
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Dated: March 27, 2009

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